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8
9 **UNITED STATES BANKRUPTCY COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11 **SAN FRANCISCO DIVISION**

12 **In re:**

13 **PG&E CORPORATION,**

14 **- and -**

15 **PACIFIC GAS AND ELECTRIC**
16 **COMPANY,**

17 **Debtors.**

- 18 ☐ Affects PG&E Corporation
19 ☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

20 ** All papers shall be filed in the Lead Case, No.*
21 *19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**REORGANIZED DEBTORS' ONE
HUNDRED SIXTEENTH OMNIBUS
OBJECTION TO CLAIMS (ADR NO
LIABILITY CLAIMS)**

Response Deadline:
July 12, 2022, 4:00 p.m. (PT)

Hearing Information If Timely Response Made:

Date: July 26, 2022

Time: 10:00 a.m. (Pacific Time)

Place: (Tele/Videoconference Appearances Only)

United States Bankruptcy Court

Courtroom 17, 16th Floor

San Francisco, CA 94102

1 **TO: (A) THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY**
2 **JUDGE; (B) THE OFFICE OF THE UNITED STATES TRUSTEE; (C) THE AFFECTED**
3 **CLAIMANTS; AND (D) OTHER PARTIES ENTITLED TO NOTICE:**

4 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as
5 debtors and reorganized debtors (collectively, the “**Debtors**” or as reorganized pursuant to the Plan (as
6 defined below), the “**Reorganized Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11**
7 **Cases**”) hereby submit this One Hundred Sixteenth Omnibus Objection (the “**Objection**”) to the Proofs
8 of Claim (as defined below) identified in the column headed “Claims To Be Disallowed and Expunged”
9 on **Exhibit 1** annexed hereto.

10 **I. JURISDICTION**

11 This Court has jurisdiction over this Objection under 28 U.S.C. §§ 157 and 1334; the *Order*
12 *Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.); and
13 Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern
14 District of California (the “**Bankruptcy Local Rules**”). This matter is a core proceeding pursuant to 28
15 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The
16 statutory predicates for the relief requested are section 502 of Title 11 of the United States Code (the
17 “**Bankruptcy Code**”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy**
18 **Rules**”).

19 **II. BACKGROUND**

20 On January 29, 2019 (the “**Petition Date**”), the Debtors commenced with the Court voluntary
21 cases under chapter 11 of the Bankruptcy Code. Prior to the Effective Date (as defined below), the
22 Debtors continued to operate their businesses and manage their properties as debtors in possession
23 pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner was appointed
24 in either of the Chapter 11 Cases. The Chapter 11 Cases are being jointly administered for procedural
25 purposes only pursuant to Bankruptcy Rule 1015(b).

26 On July 1, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 502(b)(9) and 105(a),*
27 *Fed. R. Bankr. P. 2002, 3003(c)(3), 5005, and 9007, and L.B.R. 3003-1 (I) Establishing Deadline for*
28 *Filing Proofs of Claim, (II) Establishing the Form and Manner of Notice Thereof, and (III) Approving*
Procedures for Providing Notice of Bar Date and Other Information to All Creditors and Potential

1 *Creditors* [Docket No. 2806] (the “**Bar Date Order**”). The Bar Date Order set the deadline to file all
2 proofs of claim (each, a “**Proof of Claim**”) in respect of any prepetition claim (as defined in section
3 101(5) of the Bankruptcy Code), including all claims of Fire Claimants (as defined therein), Wildfire
4 Subrogation Claimants (as defined therein), Governmental Units (as defined in section 101(27) of the
5 Bankruptcy Code), and Customers, and for the avoidance of doubt, including all secured claims and
6 priority claims, against either of the Debtors as October 21, 2019, at 5:00 p.m. Pacific Time (the “**Bar**
7 **Date**”). The Bar Date Order also approved a special form of Proof of Claim for Fire Claimants, defined
8 therein as the “**Fire Victim Proof of Claim Form**.” The Bar Date later was extended solely with respect
9 to unfiled, non-governmental Fire Claimants to December 31, 2019 [Docket No. 4672]¹; and
10 subsequently with respect to certain claimants that purchased or acquired the Debtors’ publicly held debt
11 and equity securities and may have claims against the Debtors for rescission or damages to April 16,
12 2020 [Docket No. 5943].

13 By Order dated June 20, 2020 [Dkt. No. 8053], the Bankruptcy Court confirmed the *Debtors’*
14 *and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June 19, 2020* (as may be
15 further modified, amended or supplemented from time to time, and together with any exhibits or
16 schedules thereto, the “**Plan**”). The Effective Date of the Plan occurred on July 1, 2020 (the “**Effective**
17 **Date**”). See Dkt. No. 8252.

18 Sections 4.7 and 4.26 of the Plan provide that any Fire Victim Claim² shall be “permanently
19 channeled to the Fire Victim Trust, and such Claim shall be asserted exclusively against the Fire Victim
20 Trust” Certain of the ADR No Liability Claims (as defined below) were filed on Fire Victim Proof
21 of Claim Forms and/or asserted fire-related damage and were thus preliminarily identified as Fire Victim
22 Claims, to be administered, processed, settled, disallowed, resolved, liquidated, satisfied, and/or paid in
23 accordance with the Fire Victim Trust Agreement and the Fire Victim Claims Resolution Procedures.
24 However, based on a further review of these ADR No Liability Claims, as well as the Reorganized
25

26 ¹ The Fire Victim Claims will be administered through the Fire Victim Trust and the Subrogation
Wildfire Claims through the Subrogation Wildfire Trust in accordance with the Plan.

27 ² Capitalized terms used in this Section II but not otherwise defined shall have the meanings ascribed
28 to them in the Plan.

1 Debtors' books and records, these ADR No Liability Claims recently were determined by the Fire Victim
2 Trustee and independently by the Reorganized Debtors not to have arisen from one of the specific Fires
3 defined in Section 1.86 of the Plan, and thus not to constitute Fire Victim Claims, as defined in Section
4 1.79 of the Plan. Instead, these ADR No Liability Claims are general unsecured claims against the
5 Reorganized Debtors, subject to all of the Reorganized Debtors' legal and equitable rights with respect
6 to such claims.³

7 **III. RELIEF REQUESTED**

8 The Reorganized Debtors file this Objection, pursuant to section 502 of the Bankruptcy Code,
9 Bankruptcy Rule 3007(d)(5), Bankruptcy Local Rule 3007-1, the *Order Approving (A) Procedures for*
10 *Filing Omnibus Objections to Claims and (B) the Form and Manner of the Notice of Omnibus*
11 *Objections*, dated June 30, 2020 [Docket No. 8228] (the "**Omnibus Objections Procedures Order**"),
12 and the *Order Approving ADR and Related Procedures for Resolving General Claims*, dated
13 September 25, 2020 [Docket No. 9148] (the "**ADR Procedures Order**"), seeking entry of an order
14 disallowing and expunging the Proofs of Claim identified on **Exhibit 1** hereto, in the columns headed
15 "Claims To Be Disallowed and Expunged" (the "**ADR No Liability Claims**").

16 The holders of the ADR No Liability Claims have "fail[ed] to comply with the General ADR
17 Procedures, negotiate in good faith, or cooperate as may be necessary to effectuate the General ADR
18 Procedures," and thus do not meet the requirements of Section IV.E of the ADR Procedures Order.
19 Exhibit 1 further specifies that the ADR No Liability Claims are classified as "No Response to
20 Information Request." The Reorganized Debtors sent each of these Claimants an Information Request
21 Form in accordance with the General Claims Information Procedures, in order to acquire certain limited
22 and targeted information necessary to allow the Reorganized Debtors to evaluate the Claims for potential
23 resolution. In accordance with the ADR Procedures Order, the Information Request Form was required
24 to be returned by no later than twenty-eight (28) days after the mailing (whether by email or standard

25 ³ On April 4, 2022 the Fire Victim Trustee notified the holders of each of the relevant ADR No
26 Liability Claims that the Fire Victim Trustee and the Reorganized Debtors had determined that the
27 ADR No Liability Claims were not Fire Victim Claims, as defined in Section 1.79 of the Plan, and had
28 been reinstated as general unsecured claims against the Reorganized Debtors, subject to all claims,
rights, defenses to, or setoffs or recoupments against such claim that may be available at law or in
equity to the Reorganized Debtors.

mail) (the “**Information Deadline**”). In the event a Claimant failed to return the Information Request Form by the Information Deadline, the Reorganized Debtors sent such Claimant an information reminder (the “**Information Reminder**”). The Information Reminder provided the Claimant with an additional fourteen (14) days from the date the Information Reminder was sent to return the Information Request Form (the “**Reminder Deadline**”). The Reorganized Debtors did not receive any responses by the Information Deadline or the Reminder Deadline with respect to any of the Claims identified on **Exhibit 1** hereto. Because the Claimants did not respond to the Information Request Form, the Reorganized Debtors were unable to determine any basis for liability on these Claims.

IV. ARGUMENT

A. The ADR No Liability Claims Should be Disallowed and Expunged

The Omnibus Objections Procedures Order supplemented Bankruptcy Rule 3007(d) to permit the Reorganized Debtors to file objections to more than one claim if “[t]he claims seek recovery of amounts for which the Debtors are not liable.” Omnibus Objections Procedures Order, ¶ 2(C)(iii). Bankruptcy Rule 3007(e) requires that an omnibus objection must list the claimants alphabetically and by cross-reference to claim numbers. The Reorganized Debtors are not liable for the ADR No Liability Claims identified on **Exhibit 1** because the respective holders failed to comply with the ADR Procedures.

Each of the Claimants is listed alphabetically, and the claim number and amount are identified in accordance with Bankruptcy Rule 3007(e). Furthermore, in accordance with the Omnibus Objections Procedures Order, the Reorganized Debtors have sent individualized notices to the holders of each of the ADR No Liability Claims.

B. The Claimants Bear the Burden of Proof

A filed proof of claim is “deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a).⁴ Section 502(b)(1) of the Bankruptcy Code, however, provides in relevant part that a claim may not be allowed if “such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law.” 11 U.S.C. § 502(b)(1). Once the objector raises “facts tending to

⁴ Upon the Reorganized Debtors’ request, the deadline under Section 7.1 of the Plan for the Reorganized Debtors to bring objections to Claims has been further extended through and including December 19, 2022 [Docket No. 12432], except with respect to the claims of certain state and federal governmental entities not applicable to this Objection.

1 defeat the claim by probative force equal to that of the allegations of the proofs of claim themselves,”
2 *Wright v. Holm (In re Holm)*, 931 F.2d 620, 623 (9th Cir. 1991), quoting 3 L. King, *Collier on*
3 *Bankruptcy* § 502.02 at 502-22 (15th ed. 1991), then “the burden reverts to the claimant to prove the
4 validity of the claim by a preponderance of the evidence,” *Ashford v. Consolidated Pioneer Mortgage*
5 *(In re Consolidated Pioneer Mortgage)* 178 B.R. 222, 226 (B.A.P. 9th Cir. 1995) (quoting *In re*
6 *Allegheny Int’l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992)), *aff’d without opinion* 91 F.3d 151 (9th Cir.
7 1996). “[T]he ultimate burden of persuasion is always on the claimant.” *Holm*, 931 F.2d at 623 (quoting
8 King, *Collier on Bankruptcy*); *see also Lundell v. Anchor Constr. Specialists, Inc.*, 223 F.3d 1035, 1039
9 (9th Cir. 2000); *Spencer v. Pugh (In re Pugh)*, 157 B.R. 898, 901 (B.A.P. 9th Cir. 1993); *In re Fidelity*
10 *Holding Co.*, 837 F.2d 696, 698 (5th Cir. 1988).

11 As set forth above, the Reorganized Debtors submit that the ADR No Liability Claims do not
12 represent a current right to payment and, therefore, should be disallowed and expunged in their entirety.
13 If any Claimant believes that an ADR No Liability Claim is valid, it must present affirmative evidence
14 demonstrating the validity of that claim.

15 **V. RESERVATION OF RIGHTS**

16 The Reorganized Debtors hereby reserve the right to object, as applicable, in the future to any of
17 the Proofs of Claim listed in this Objection on any ground, and to amend, modify, or supplement this
18 Objection to the extent an objection to a claim is not granted, and to file other objections to any proofs
19 of claims filed in these cases, including, without limitation, objections as to the amounts asserted therein,
20 or any other claims (filed or not) against the Debtors, regardless of whether such claims are subject to
21 this Objection. A separate notice and hearing will be scheduled for any such objections. Should the
22 grounds of objection specified herein be overruled, wholly or in part, the Reorganized Debtors reserve
23 the right to object to the ADR No Liability Claims on any other grounds that the Reorganized Debtors
24 may discover or deem appropriate.

25 **VI. NOTICE**

26 Notice of this Objection will be provided to (i) holders of the ADR No Liability Claims; (ii) the
27 Office of the U.S. Trustee for Region 17 (Attn: Andrew R. Vara, Esq. and Timothy Laffredi, Esq.);
28 (iii) all counsel and parties receiving electronic notice through the Court’s electronic case filing system;

1 and (iv) those persons who have formally appeared in these Chapter 11 Cases and requested service
2 pursuant to Bankruptcy Rule 2002. The Reorganized Debtors respectfully submit that no further notice
3 is required. No previous request for the relief sought herein has been made by the Reorganized Debtors
4 to this or any other Court.

5 WHEREFORE the Debtors respectfully request entry of an order granting the relief requested
6 herein and such other and further relief as the Court may deem just and appropriate.

7 Dated: June 16, 2022

KELLER BENVENUTTI KIM LLP

8 By: /s/ Dara L. Silveira
9 Dara L. Silveira

10 *Attorneys for Debtors and Reorganized Debtors*
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